

GOVERNMENT OF ZAMBIA

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**ACT**

**No. 22 of 2023**

Date of Assent: 22nd December, 2023

**An Act to amend the Income Tax Act.**

[ 26th December, 2023

ENACTED by the Parliament of Zambia.

Enactment

**1.** (1) This Act may be cited as the Income Tax (Amendment) Act, 2023, and shall be read as one with the Income Tax Act, in this Act referred to as the principal Act.

Short title and commencement  
Cap. 323

(2) This Act shall come into operation on 1st January, 2024.

**2.** Section 2(1) of the principal Act is amended by the—

Amendment of section 2

(a) deletion of the definition of “electronic fiscal device”;

(b) deletion of the definition of “rural enterprise” and the substitution therefor of the following:

“rural enterprise” means an enterprise located in a rural area except an enterprise carrying on business of mining operations or mineral processing;; and

(c) insertion of the following new definitions in the appropriate places in alphabetical order:

“electronic invoicing system” has the meaning assigned to the words in the Value Added Tax Act; and

Cap. 331

“special economic zone” has the meaning assigned to the words in the Investment, Trade and Business Development Act, 2022;.

Act No. 18 of 2022

- Amendment of section 45
- Taxpayer identification number and registration for tax type
3. The principal Act is amended by the deletion of section 45 and the substitution therefor of the following:
45. (1) A person shall obtain a taxpayer identification number from the Authority.
- (2) A person carrying on a business in partnership shall obtain a taxpayer identification number for that partnership from the Authority.
- (3) A person or partnership shall, within thirty days from first receiving income liable to tax under this Act, register with the Authority for an appropriate tax type.
- Amendment of section 48
4. Section 48 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following:
- (1) Despite any other written law, the Commissioner-General may request a person to furnish to the Commissioner-General information, whether relating to the affairs of that person or any other person that the Commissioner-General determines is necessary for the purposes of this Act.
- Amendment of section 55B
5. Section 55B of the principal Act is amended by the—
- (a) deletion of subsections (1) and (2) and the substitution therefor of the following:
- (1) A person or partnership carrying on a business shall use an electronic invoicing system to record sales for income tax purposes.
- (2) Despite subsection (1), the Commissioner-General may approve the use of a document, device or equipment, other than an electronic invoicing system, for a certain category of persons or partnerships carrying on business.; and
- (b) insertion of the following new subsection immediately after subsection (2):
- (2A) The Commissioner-General may, on prescribed conditions, exempt a person or partnership or a category of persons or partnerships from using the electronic invoicing system.

6. Section 56 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (1):

Amendment  
of section  
56

(1A) The accounts referred to in subsection (1) shall, in the case of a person classified as a large taxpayer by the Authority, be audited accounts.

7. Section 82A of the principal Act is amended by the deletion of subsection (11) and the substitution therefor of the following:

Amendment  
of section  
82A

(11) The payment of an amount in excess of the original issue price for any treasury bill or similar financial instrument sold at a discount from face value shall be considered for the purposes of this section to be payment of interest when the treasury bill or any other similar financial instrument is presented for redemption or rediscount.

8. Section 97A of the principal Act is amended by the insertion of the following new subsection immediately after subsection (11A):

Amendment  
of section  
97A

(11B) The date of assessment referred to under subsection (11A) shall, where a decision under this section is appealed against or is before a court, be considered to be the date on which the decision on appeal is given or the final ruling is rendered by a court.

9. Section 100(1)(e) of the principal Act is amended by the—

Amendment  
of section  
100

(a) insertion of the following new subparagraph immediately after subparagraph (iv):

(v) in relation to artisanal mining—

(a) in the case of negligence, one-point five percent of the amount;

(b) in the case of wilful default, three percent of the amount; and

(c) in the case of fraud, four-point five percent of the amount;; and

(b) renumbering of subparagraph (v) as subparagraph (vi).

Amendment  
of Fifth  
Schedule

**10.** The Fifth Schedule to the principal Act is amended in paragraph 10, by the deletion of subparagraph (6) and the insertion of the following new subparagraph:

(6) Despite the other provisions of this Act, a person operating a business in a priority sector and a developer in a special economic zone, may claim on a straight-line basis, wear and tear at an accelerated rate, not exceeding 100 percent in respect of any new implement, plant or machinery acquired and used by the business for the purposes of that business.

Amendment  
of Charging  
Schedule

**11.** The Charging Schedule to the principal Act is amended—

(a) in paragraph 2(1)—

(i) item (c), by the deletion of the words “fifty-seven thousand six hundred Kwacha” and the substitution therefor of the words “sixty-one thousand two hundred Kwacha”;

(ii) by the deletion of items (d), (e) and (f) and the substitution therefor of the following:

(d) on the balance of so much of an individual’s income as exceeds sixty-one thousand two hundred Kwacha but does not exceed eighty-five thousand two hundred Kwacha, at the rate of twenty percent per annum;

(e) on the balance of so much of an individual’s income as exceeds eighty-five thousand two hundred Kwacha but does not exceed one hundred and ten thousand four hundred Kwacha, at the rate of thirty percent per annum; and

(f) on the balance of so much of an individual’s income as exceeds one hundred and ten thousand four hundred Kwacha, at the rate of thirty-seven percent per annum.; and

(b) in paragraph 5—

(i) item (a), by the deletion of the words “one-seventh” and the substitution therefor of the words “one-fifth”; and

(ii) by the insertion of the following new items immediately after item (l):

(m) maximum rate of tax charged on the income earned by a producer of cotton seed or from ginning of cotton shall be zero percent for the first five charge years for which that business is carried on; and

(n) maximum rate of tax charged on the income earned from spinning of cotton and weaving of thread shall be zero percent for the first ten charge years for which that business is carried on.

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